



# Financial Highlights 2007

Year ended March 31, 2007



## Notes

1. Financial statements and financial data are presented in accordance with accounting principles generally accepted in the United States of America. However, certain financial figures in this document have been derived from financial statements and financial data prepared in accordance with financial reporting principles and practices generally accepted in Japan.
2. Hitachi's fiscal year ends March 31.
3. Not all data have been audited.
4. In accordance with Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes," the Company recognized the effect on deferred tax assets and liabilities of a change in income tax rates in Japan, which resulted in a decrease in net income (loss) by ¥54,363 million and ¥27,053 million for the years ended March 31, 1999 and 1998.
5. The Company changed the method of carrying the investment in its certain affiliated company from cost to equity in 2000. Figures for the fiscal years ended March 31, 1997 to 1999 have also been restated using the same method.
6. On April 1, 2000, the Company adopted SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Accordingly, figures for the fiscal years ended March 31, 1997 to 2000 have been restated.
7. The merger of Hitachi Leasing, Ltd. (an affiliated company whose investment had been carried on the equity method) with Hitachi Credit Corporation, a Hitachi subsidiary, effective on October 1, 2000, is assumed to have taken place on April 1, 2000. As a result, Hitachi Leasing, Ltd. and its subsidiaries are consolidated as subsidiaries for the fiscal year ended March 31, 2001.
8. On April 1, 2000, the Company adopted SFAS No. 87, "Employers' Accounting for Pensions."
9. In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income (loss) is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sale and disposal of rental assets and other property, impairment losses, special termination benefits and the losses resulting from the adoption of EITF Issue No. 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities," are included as part of operating income (loss). The restructuring charges mainly represent special termination benefits incurred with the reorganization of the business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio. See note 2 on page 2.

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# Eleven-Year Summary

Years ended March 31

	1997	1998	1999
<b>For the year:</b>			
Revenues	¥8,523,100	¥8,416,834	¥7,977,374
Japan	6,070,552	5,805,111	5,533,554
Outside Japan	2,452,548	2,611,723	2,443,820
Cost of sales	6,250,895	6,230,044	6,052,345
Selling, general and administrative expenses	1,975,039	1,977,783	1,959,103
Operating income (loss) (note 2)	297,166	209,007	(34,074)
Income (loss) before income taxes and minority interests	264,795	173,458	(221,174)
Net income (loss)	89,802	12,163	(327,611)
Capital investment (Property, plant and equipment)	740,135	712,672	585,718
Depreciation (Property, plant and equipment)	543,560	550,393	547,022
R&D expenditure	503,508	510,878	496,728
<b>Per share data:</b>			
Net income (loss) Basic	¥ 26.95	¥ 3.64	¥ (98.15)
Diluted	25.97	3.58	(98.15)
Cash dividends declared	11.00	11.00	5.50
Stockholders' equity	1,054.26	1,012.77	900.57

Notes: 1. See notes on inside cover.

2. In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income (loss) is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sale and disposal of rental assets and other property, impairment losses, special termination benefits and the losses resulting from the adoption of EITF Issue No. 03-2, "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities," are included as part of operating income (loss). The restructuring charges mainly represent special termination benefits incurred with the reorganization of the business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio. The reconciliation figures are as follows:

	1997	1998	1999
Restructuring charges, impairment losses and special termination benefits . . .	¥(44,289)	¥(90,791)	¥(132,505)
Net gain or loss on sale and disposal of rental assets and other property . . .	(15,620)	(10,514)	(12,656)
The losses resulting from the adoption of EITF Issue No. 03-2 "Accounting for the Transfer to the Japanese Government of the Substitutional Portion of Employee Pension Fund Liabilities" . . . . .	—	—	—

							Millions of yen
2000	2001	2002	2003	2004	2005	2006	2007
¥8,001,203	¥8,416,982	¥7,993,784	¥8,191,752	¥8,632,450	¥9,027,043	¥9,464,801	<b>¥10,247,903</b>
5,657,571	5,791,300	5,444,662	5,546,543	5,654,856	5,749,603	5,825,156	<b>6,093,627</b>
2,343,632	2,625,682	2,549,122	2,645,209	2,977,594	3,277,440	3,639,645	<b>4,154,276</b>
5,898,756	6,155,023	6,184,396	6,240,493	6,710,154	6,961,270	7,387,744	<b>8,088,371</b>
1,928,083	1,919,647	1,926,803	1,798,292	1,737,433	1,786,718	1,821,045	<b>1,977,020</b>
174,364	342,312	(117,415)	152,967	184,863	279,055	256,012	<b>182,512</b>
79,235	323,655	(586,072)	96,828	237,149	264,506	274,864	<b>202,338</b>
16,922	104,380	(483,837)	27,867	15,876	51,496	37,320	<b>(32,799)</b>
574,642	971,095	856,279	787,496	816,547	959,593	954,706	<b>1,048,572</b>
541,253	505,507	529,418	480,274	436,053	425,080	451,170	<b>472,175</b>
432,342	435,579	415,448	377,154	371,825	388,634	405,079	<b>412,534</b>

Yen

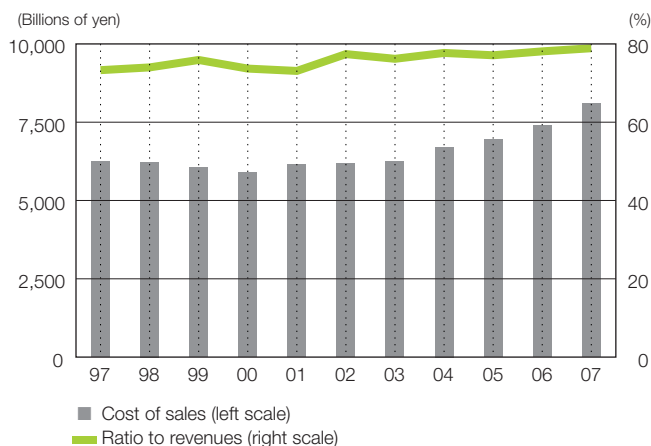
¥ 5.07	¥ 31.27	¥(144.95)	¥ 8.31	¥ 4.81	¥ 15.53	¥ 11.20	¥ (9.84)
4.99	30.32	(144.95)	8.19	4.75	15.15	10.84	(9.87)
6.00	11.00	3.00	6.00	8.00	11.00	11.00	6.00
895.08	857.27	690.28	550.76	657.42	692.73	752.91	<b>734.66</b>

							Millions of yen
2000	2001	2002	2003	2004	2005	2006	2007
¥(65,977)	¥(8,814)	¥(334,211)	¥ (8,474)	¥(54,698)	¥(60,104)	¥(31,837)	<b>¥(13,901)</b>
(6,842)	(7,776)	(15,150)	23,658	1,715	(9,545)	(3,107)	<b>(24,611)</b>
—	—	—	(24,857)	—	—	—	—

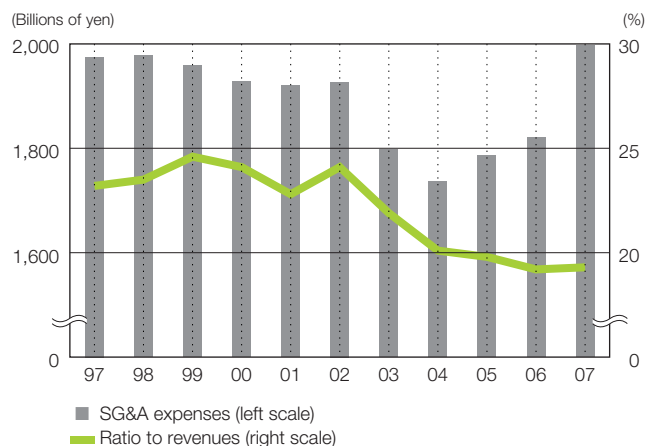
# Analysis of Operating Results

Years ended March 31

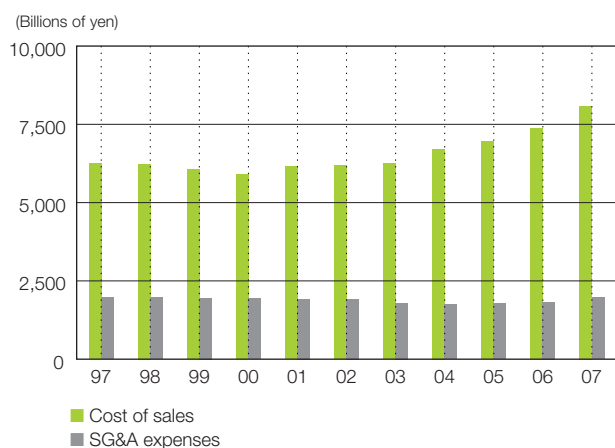
### Cost of sales and ratio to revenues (note 2)



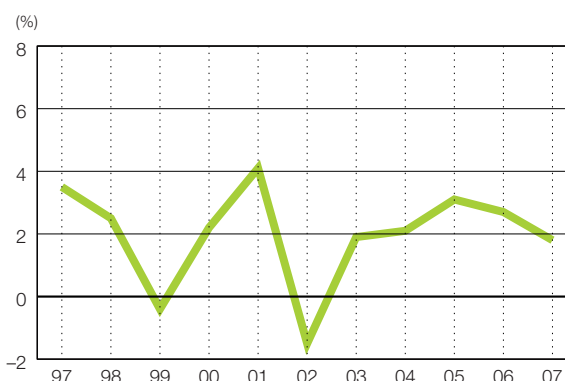
### SG&A expenses and ratio to revenues (note 2)



### Cost of sales and SG&A expenses (note 2)



### Operating income (loss) to revenues (note 2)

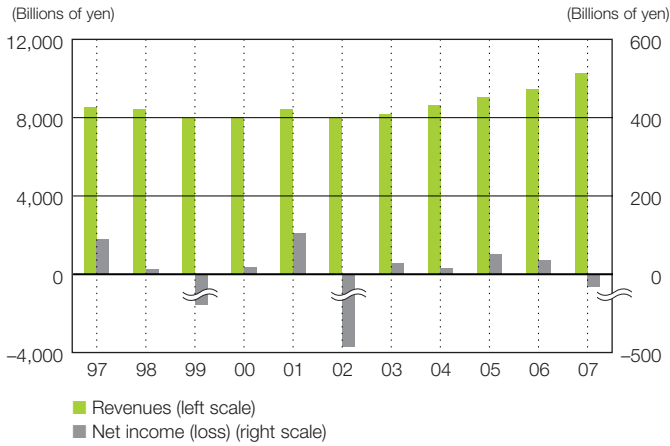


	1997	1998	1999
Revenues .....	¥8,523	¥8,417	¥7,977
Cost of sales .....	6,251	6,230	6,052
Ratio to revenues (%) .....	73.3%	74.0%	75.9%
Selling, general and administrative expenses (note 2) .....	1,975	1,978	1,959
Ratio to revenues (%) .....	23.2%	23.5%	24.6%
Operating income (loss) (note 2) .....	297	209	(34)
Ratio to revenues (%) .....	3.5%	2.5%	(0.4)%
Net income (loss) .....	90	12	(328)
R&D expenditure .....	504	511	497
Ratio to revenues (%) .....	5.9%	6.1%	6.2%
Revenues per employee (Millions of yen) .....	26	25	24

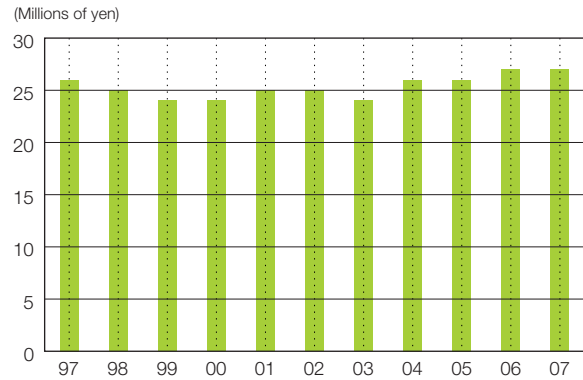
Notes: 1. Figures are rounded.

2. See notes on inside cover.

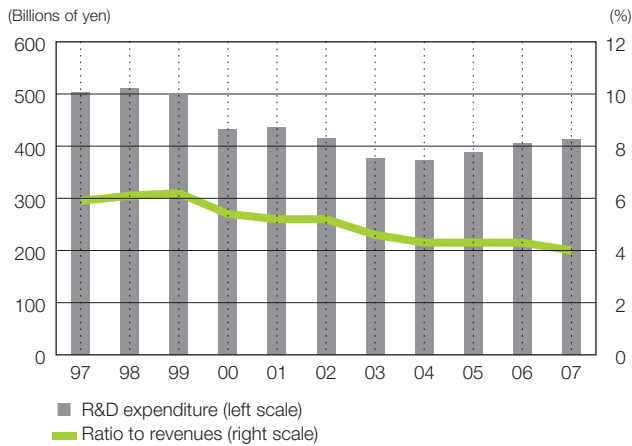
### Revenues and net income (loss)



### Revenues per employee



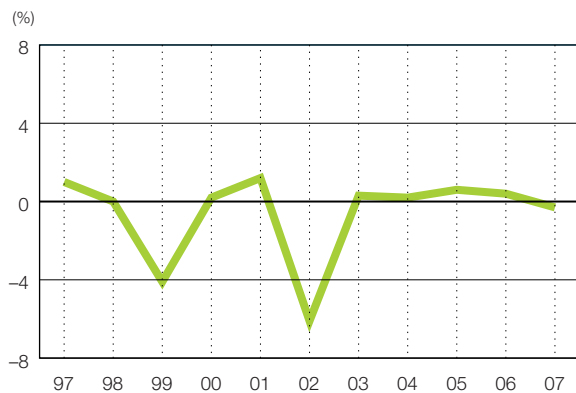
### R&D expenditure and ratio to revenues



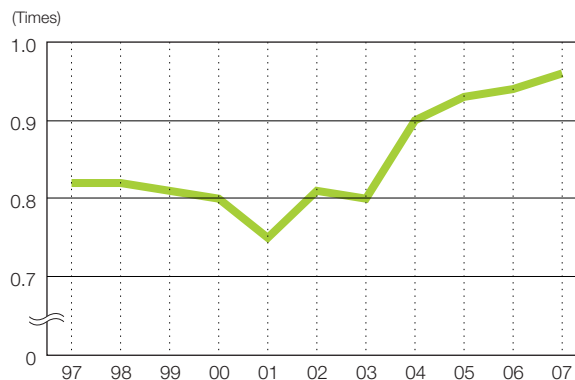
Billions of yen

2000	2001	2002	2003	2004	2005	2006	2007
¥8,001	¥8,417	¥7,994	¥8,192	¥8,632	¥9,027	¥9,465	¥10,248
5,899	6,155	6,184	6,240	6,710	6,961	7,388	8,088
73.7%	73.1%	77.4%	76.2%	77.7%	77.1%	78.1%	78.9%
1,928	1,920	1,927	1,798	1,737	1,787	1,821	1,977
24.1%	22.8%	24.1%	22.0%	20.1%	19.8%	19.2%	19.3%
174	342	(117)	153	185	279	256	183
2.2%	4.1%	(1.5)%	1.9%	2.1%	3.1%	2.7%	1.8%
17	104	(484)	28	16	51	37	(33)
432	436	415	377	372	389	405	413
5.4%	5.2%	5.2%	4.6%	4.3%	4.3%	4.3%	4.0%
24	25	25	24	26	26	27	27

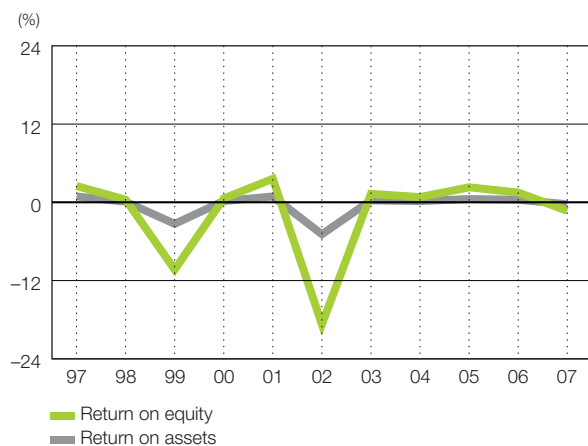
### Return on revenues



### Asset turnover



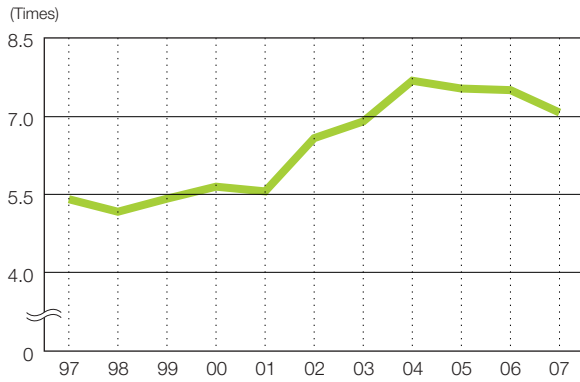
### Return on equity and return on assets



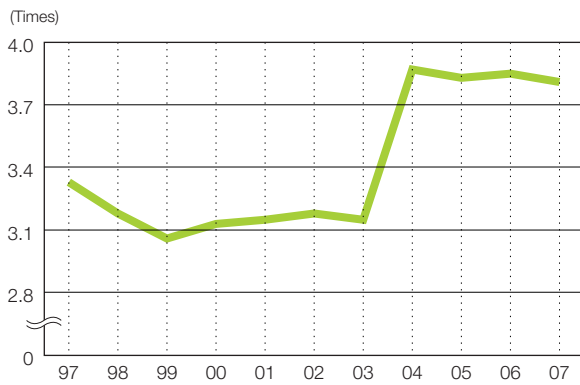
	1997	1998	1999
Return on revenues (%)	1.1%	0.1%	(4.1)%
Return on equity (%)	2.5%	0.4%	(10.3)%
Return on assets (%)	0.9%	0.1%	(3.3)%
Asset turnover (Times)	0.82	0.82	0.81
Inventory turnover (Times)	5.41	5.17	5.42
Fixed assets (Billions of yen)	2,559	2,646	2,608
Fixed assets turnover (Times)	3.33	3.18	3.06

- Notes: 1. Return on revenues = Net income (loss) / Revenues  
 2. Return on equity = Net income (loss) / Average stockholders' equity  
 3. Return on assets = Net income (loss) / Total assets as of March 31  
 4. Asset turnover = Revenues / Total assets as of March 31  
 5. Inventory turnover = Revenues / Inventory as of March 31  
 6. "Fixed assets" represents net property, plant and equipment.  
 7. Fixed assets turnover = Revenues / Fixed assets as of March 31  
 8. Figures are rounded.  
 9. See notes on inside cover.

### Inventory turnover

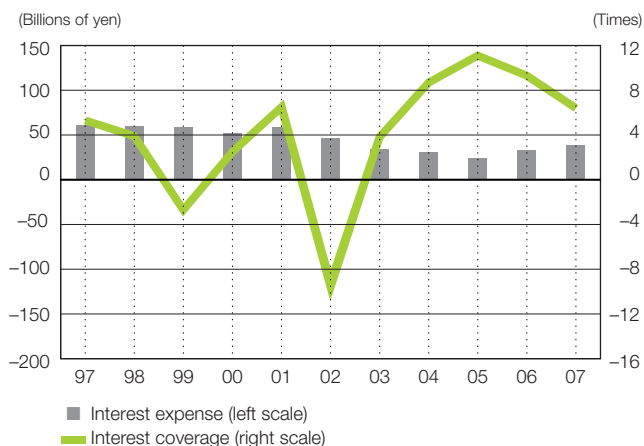


### Fixed assets turnover

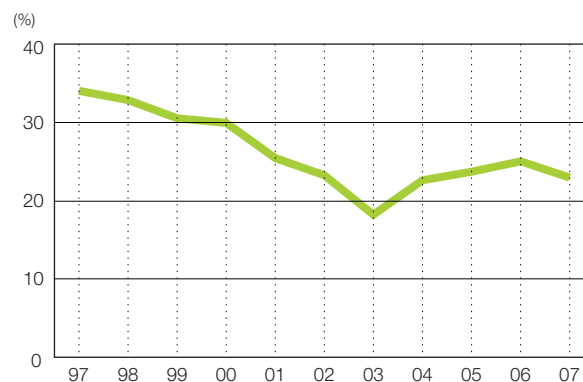


2000	2001	2002	2003	2004	2005	2006	2007
0.2%	1.2%	(6.1)%	0.3%	0.2%	0.6%	0.4%	<b>(0.3)%</b>
0.6%	3.6%	(18.7)%	1.3%	0.8%	2.3%	1.5%	<b>(1.3)%</b>
0.2%	0.9%	(4.9)%	0.3%	0.2%	0.5%	0.4%	<b>(0.3)%</b>
0.80	0.75	0.81	0.80	0.90	0.93	0.94	<b>0.96</b>
5.65	5.56	6.58	6.90	7.68	7.53	7.50	<b>7.07</b>
2,555	2,675	2,514	2,601	2,233	2,358	2,460	<b>2,689</b>
3.13	3.15	3.18	3.15	3.87	3.83	3.85	<b>3.81</b>

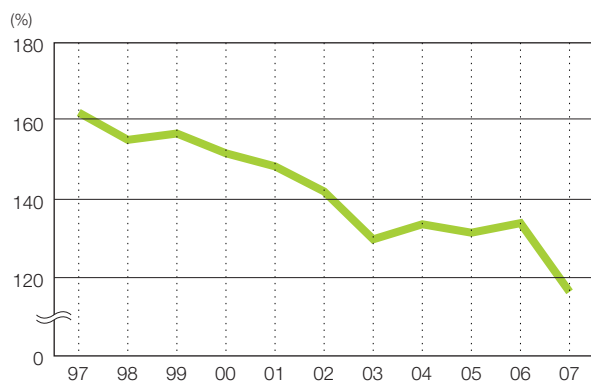
### Interest expense and interest coverage



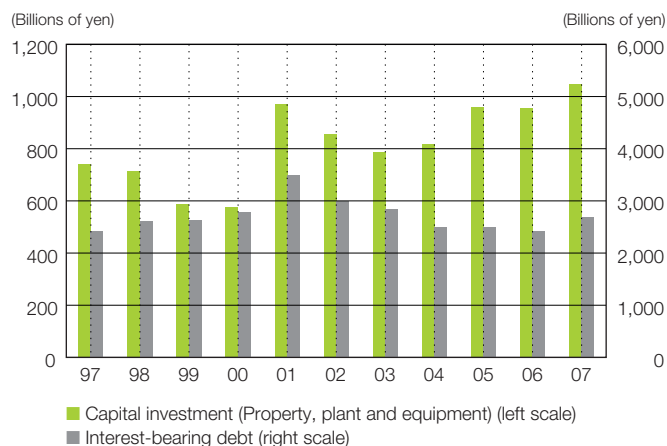
### Stockholders' equity ratio



### Current ratio



### Capital investment (Property, plant and equipment) and interest-bearing debt

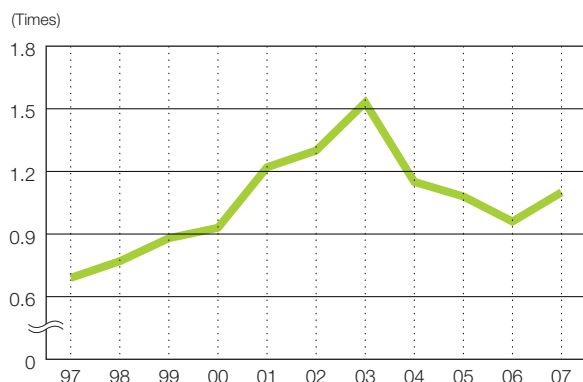


Interest expense . . . . .	¥ 61	¥ 60	¥ 59
Interest coverage (Times) . . . . .	5.36	3.91	(2.75)
Current assets . . . . .	6,420	6,283	5,908
Current liabilities . . . . .	3,969	4,060	3,778
Current ratio (%) . . . . .	161.74%	154.77%	156.39%
Short-term debt . . . . .	1,181	1,317	1,160
Long-term debt . . . . .	1,245	1,288	1,478
Interest-bearing debt . . . . .	2,426	2,605	2,638
Stockholders' equity . . . . .	3,519	3,381	3,006
Total assets . . . . .	10,341	10,292	9,848
Debt / Equity ratio (Times) . . . . .	0.69	0.77	0.88
Stockholders' equity ratio (%) . . . . .	34.03%	32.85%	30.52%
Capital investment (Property, plant and equipment) . . . . .	740	713	586
Depreciation (Property, plant and equipment) . . . . .	544	550	547
Free cash flows . . . . .	(384)	(218)	(62)

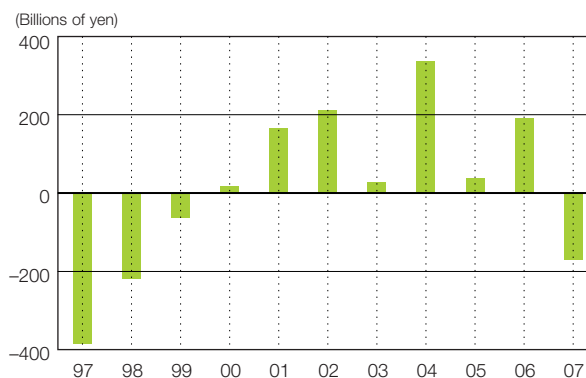
Notes: 1. Interest coverage =  $\frac{\text{Income (loss) before income taxes and minority interests} + \text{Interest expense}}{\text{Interest expense}}$

- "Current assets" represents the sum of cash and cash equivalents, short-term investments, trade receivables (notes and accounts), investments in leases, inventories and prepaid expenses and other current assets.
- "Current liabilities" represents the sum of short-term debt, current installments of long-term debt, trade payables (notes and accounts), accrued expenses, income taxes, advances received and other current liabilities.
- "Interest-bearing debt" represents the sum of short-term debt, current installments of long-term debt and long-term debt.

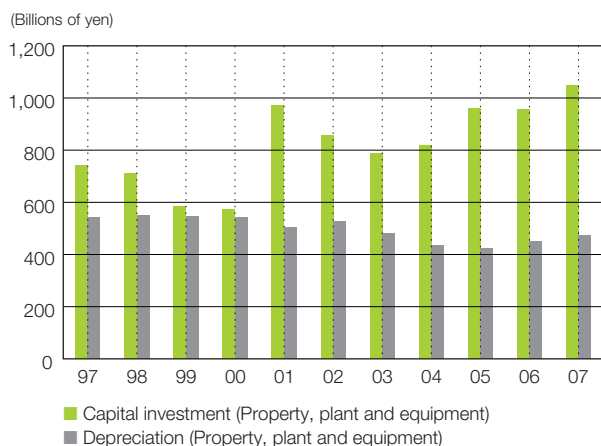
### Debt / Equity ratio



### Free cash flows



### Capital investment and depreciation (Property, plant and equipment)



Billions of yen

	2000	2001	2002	2003	2004	2005	2006	2007
Capital investment (Property, plant and equipment)	¥ 52	¥ 59	¥ 46	¥ 34	¥ 31	¥ 29	¥ 33	¥ 38
Depreciation (Property, plant and equipment)	2.52	6.51	(11.79)	3.82	8.69	10.1	9.3	6.4
Free cash flows	5,966	6,845	5,508	5,193	5,220	5,339	5,167	5,434
Current assets	3,940	4,623	3,885	4,005	3,911	4,065	4,121	4,668
Current ratio	151.42%	148.06%	141.75%	129.67%	133.47%	131.35%	133.76%	116.42%
Stockholders' equity ratio	1,306	1,612	1,200	1,328	1,183	1,183	1,001	1,198
Free cash flows	1,483	1,881	1,798	1,512	1,314	1,319	1,418	1,490
Current assets	2,788	3,493	2,998	2,841	2,498	2,503	2,419	2,687
Current ratio	2,988	2,862	2,304	1,853	2,168	2,308	2,508	2,443
Current assets	9,983	11,247	9,916	10,179	9,590	9,736	10,021	10,644
Current ratio	0.93	1.22	1.30	1.53	1.15	1.08	0.96	1.10
Current ratio	29.93%	25.44%	23.24%	18.21%	22.61%	23.70%	25.02%	22.95%
Current assets	575	971	856	787	817	960	955	1,049
Current assets	541	506	529	480	436	425	451	472
Current assets	16	165	210	27	336	38	190	(171)

5. Current ratio = Current assets / Current liabilities as of March 31

6. Stockholders' equity ratio = Stockholders' equity / Total assets as of March 31

7. Free cash flows = Cash flows from operating activities + Cash flows from investing activities

8. Long-term portion of trade receivables and investments in leases as of March 31, 2007 are not included in "Current assets." "Current assets" as of March 31, 2006 is presented to conform to the March 31, 2007 presentation. See note 1 on page 10.

9. Figures are rounded.

10. See notes on inside cover.

# Consolidated Balance Sheets

As of March 31

	1997	1998	1999
<b>Assets:</b>			
Cash and cash equivalents . . . . .	¥ 1,309,949	¥ 1,199,540	¥1,237,527
Short-term investments . . . . .	847,854	771,147	605,679
Trade receivables:			
Notes . . . . .	411,459	369,838	307,354
Accounts . . . . .	1,876,678	1,897,410	1,878,272
Inventories . . . . .	1,576,751	1,626,684	1,470,847
Prepaid expenses and other current assets . . . . .	396,931	418,742	408,577
Investments in leases . . . . .	—	—	—
Noncurrent receivables and restricted funds . . . . .	188,473	195,546	176,403
Investments and advances, including affiliated companies . . . . .	932,015	861,126	823,136
Property, plant and equipment:			
Land . . . . .	345,322	363,771	369,701
Buildings . . . . .	1,635,937	1,703,708	1,730,333
Machinery and equipment . . . . .	4,817,314	5,074,698	5,116,062
Construction in progress . . . . .	117,290	99,755	54,453
	6,915,863	7,241,932	7,270,549
Less accumulated depreciation . . . . .	4,356,366	4,595,800	4,662,942
Net property, plant and equipment . . . . .	2,559,497	2,646,132	2,607,607
Other assets . . . . .	241,615	305,727	332,340
	¥10,341,222	¥10,291,892	¥9,847,742

Notes: 1. Long-term portion of trade receivables and investments in leases which were previously included in trade receivables or investments in leases are reclassified and included in "Other assets" as of March 31, 2007 and 2006.  
2. See notes on inside cover.

Millions of yen

2000	2001	2002	2003	2004	2005	2006	2007
¥1,357,432	¥ 1,381,603	¥1,029,374	¥ 828,171	¥ 764,396	¥ 708,715	¥ 658,255	¥ <b>617,866</b>
632,434	433,650	178,933	186,972	177,949	146,568	162,756	<b>33,986</b>
295,526	307,635	204,855	153,587	142,802	132,572	127,284	<b>154,406</b>
1,908,692	2,191,698	1,895,150	1,903,640	2,043,727	2,065,194	2,266,097	<b>2,341,609</b>
1,416,878	1,514,163	1,214,399	1,187,529	1,123,406	1,198,955	1,262,308	<b>1,450,258</b>
354,581	391,963	457,392	496,490	515,909	560,072	547,048	<b>687,554</b>
—	623,789	527,432	437,076	451,753	526,759	143,569	<b>148,456</b>
160,583	163,003	—	—	—	—	—	<b>—</b>
817,436	885,669	834,907	726,442	908,962	894,851	1,029,673	<b>1,049,724</b>
380,076	386,785	383,781	445,283	419,846	436,308	435,961	<b>465,315</b>
1,731,561	1,801,731	1,748,509	1,838,853	1,690,096	1,740,057	1,748,318	<b>1,842,904</b>
4,887,088	5,622,410	5,510,651	5,709,409	4,899,239	5,222,157	5,522,253	<b>5,850,195</b>
71,184	95,663	97,790	67,909	49,011	57,291	74,114	<b>96,008</b>
7,069,909	7,906,589	7,740,731	8,061,454	7,058,192	7,455,813	7,780,646	<b>8,254,422</b>
4,515,160	5,231,632	5,226,307	5,460,404	4,825,330	5,097,882	5,320,460	<b>5,565,445</b>
2,554,749	2,674,957	2,514,424	2,601,050	2,232,862	2,357,931	2,460,186	<b>2,688,977</b>
485,050	678,478	1,058,788	1,658,432	1,228,556	1,144,630	1,364,019	<b>1,471,423</b>
¥9,983,361	¥11,246,608	¥9,915,654	¥10,179,389	¥9,590,322	¥9,736,247	¥10,021,195	<b>¥10,644,259</b>

	1997	1998	1999
<b>Liabilities and Stockholders' Equity:</b>			
Short-term debt . . . . .	¥ 994,469	¥ 1,103,217	¥1,045,543
Current portion of long-term debt . . . . .	187,022	214,064	114,268
Trade payables:			
Notes . . . . .	140,067	132,159	97,863
Accounts . . . . .	945,450	944,112	907,641
Accrued expenses . . . . .	732,070	728,741	694,399
Income taxes . . . . .	118,685	89,715	63,241
Advances received . . . . .	411,752	395,674	418,360
Other current liabilities . . . . .	439,489	452,007	436,653
Long-term debt . . . . .	1,244,612	1,287,532	1,478,168
Retirement and severance benefits . . . . .	671,794	682,871	723,028
Other liabilities . . . . .	168,071	93,050	86,101
Total liabilities . . . . .	6,053,481	6,123,142	6,065,265
Minority interests . . . . .	768,836	788,239	776,462
Stockholders' equity:			
Common stock . . . . .	281,684	281,735	281,735
Capital surplus . . . . .	486,695	492,272	494,782
Legal reserve and retained earnings . . . . .	2,584,635	2,555,407	2,206,297
Accumulated other comprehensive income (loss) . . . . .	165,891	51,097	23,201
Treasury stock, at cost . . . . .	—	—	—
Total stockholders' equity . . . . .	3,518,905	3,380,511	3,006,015
	¥10,341,222	¥10,291,892	¥9,847,742

See notes on inside cover.

Millions of yen

2000	2001	2002	2003	2004	2005	2006	2007
¥1,046,571	¥ 1,199,209	¥ 833,838	¥ 825,860	¥ 623,816	¥ 676,611	¥ 752,527	¥ 894,393
259,099	412,646	366,083	502,586	559,647	506,863	248,028	303,214
98,058	138,161	92,799	71,934	67,581	62,855	68,599	85,282
974,721	1,160,789	991,037	1,140,130	1,220,033	1,246,401	1,416,367	1,584,959
706,647	786,813	882,148	799,211	797,935	843,022	863,683	902,164
76,969	106,727	60,518	54,091	78,438	61,789	66,101	87,354
382,085	385,741	334,172	252,861	216,544	247,586	277,887	284,704
395,686	432,571	324,670	358,555	347,060	419,419	428,259	525,474
1,482,810	1,881,270	1,798,303	1,512,152	1,314,102	1,319,032	1,418,489	1,489,843
699,385	982,332	1,049,054	1,932,646	1,273,509	1,033,005	827,669	818,457
81,718	73,689	80,064	124,573	124,710	90,781	109,006	151,869
6,203,749	7,559,948	6,812,686	7,574,599	6,623,375	6,507,364	6,476,615	7,127,713
791,925	825,158	798,744	751,578	798,816	921,052	1,036,807	1,073,749
281,738	281,754	282,032	282,032	282,032	282,033	282,033	282,033
499,081	501,243	527,010	562,214	551,690	565,360	561,484	560,796
2,189,426	2,266,951	1,753,999	1,766,338	1,760,435	1,779,198	1,778,203	1,713,757
17,442	(188,446)	(258,484)	(755,525)	(393,864)	(301,524)	(95,997)	(88,450)
—	—	(333)	(1,847)	(32,162)	(17,236)	(17,950)	(25,339)
2,987,687	2,861,502	2,304,224	1,853,212	2,168,131	2,307,831	2,507,773	2,442,797
¥9,983,361	¥11,246,608	¥9,915,654	¥10,179,389	¥9,590,322	¥9,736,247	¥10,021,195	¥10,644,259

# Consolidated Statements of Operations

Years ended March 31

	1997	1998	1999
<b>Revenues:</b>			
Revenues . . . . .	¥8,523,100	¥8,416,834	¥7,977,374
Interest income . . . . .	37,632	41,084	40,178
Dividends received . . . . .	8,113	8,881	7,060
Other income . . . . .	43,557	112,255	1,144
<b>Total revenues . . . . .</b>	<b>8,612,402</b>	<b>8,579,054</b>	<b>8,025,756</b>
<b>Costs and expenses:</b>			
Cost of sales . . . . .	6,250,895	6,230,044	6,052,345
Selling, general and administrative expenses . . . . .	1,975,039	1,977,783	1,959,103
Interest charges . . . . .	60,669	59,635	59,028
Other deductions . . . . .	61,004	138,134	176,454
<b>Total costs and expenses . . . . .</b>	<b>8,347,607</b>	<b>8,405,596</b>	<b>8,246,930</b>
Income (loss) before income taxes and minority interests . . . . .	264,795	173,458	(221,174)
Income taxes . . . . .	138,495	134,409	97,660
<b>Income (loss) before minority interests . . . . .</b>	<b>126,300</b>	<b>39,049</b>	<b>(318,834)</b>
Minority interests . . . . .	36,498	26,886	8,777
<b>Net income (loss) . . . . .</b>	<b>¥ 89,802</b>	<b>¥ 12,163</b>	<b>¥ (327,611)</b>

See notes on inside cover.

Millions of yen

2000	2001	2002	2003	2004	2005	2006	2007
¥8,001,203	¥8,416,982	¥7,993,784	¥8,191,752	¥8,632,450	¥9,027,043	¥9,464,801	<b>¥10,247,903</b>
35,380	32,428	22,481	14,158	12,808	13,413	18,170	<b>25,914</b>
6,662	9,641	6,134	8,921	6,352	5,971	6,421	<b>6,063</b>
30,059	27,544	7,424	23,658	142,010	67,024	63,002	<b>71,010</b>
8,073,304	8,486,595	8,029,823	8,238,489	8,793,620	9,113,451	9,552,394	<b>10,350,890</b>
5,898,756	6,155,023	6,184,396	6,240,493	6,710,154	6,961,270	7,387,744	<b>8,088,371</b>
1,928,083	1,919,647	1,926,803	1,798,292	1,737,433	1,786,718	1,821,045	<b>1,977,020</b>
52,015	58,759	45,830	34,338	30,855	29,057	33,265	<b>37,794</b>
115,215	29,511	458,866	68,538	78,029	71,900	35,476	<b>45,367</b>
7,994,069	8,162,940	8,615,895	8,141,661	8,556,471	8,848,945	9,277,530	<b>10,148,552</b>
79,235	323,655	(586,072)	96,828	237,149	264,506	274,864	<b>202,338</b>
47,502	164,861	(71,114)	52,662	198,655	149,990	154,348	<b>162,814</b>
31,733	158,794	(514,958)	44,166	38,494	114,516	120,516	<b>39,524</b>
14,811	54,414	(31,121)	16,299	22,618	63,020	83,196	<b>72,323</b>
¥ 16,922	¥ 104,380	¥ (483,837)	¥ 27,867	¥ 15,876	¥ 51,496	¥ 37,320	<b>¥ (32,799)</b>

# Consolidated Statements of Cash Flows

Years ended March 31

	1997	1998	1999
Cash flows from operating activities:			
Net income (loss) . . . . .	¥ 89,802	¥ 12,163	¥ (327,611)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation . . . . .	543,560	550,393	547,022
Amortization . . . . .	—	—	—
Impairment losses for long-lived assets . . . . .	44,289	35,504	2,740
Deferred income taxes . . . . .	(61,099)	(14,667)	(22,976)
Equity in (earnings) losses of affiliated companies, net . . . . .	—	—	—
Gain on sale of investments and subsidiaries' common stock . . . . .	(24,262)	(117,998)	(3,938)
Impairment of investments in securities . . . . .	—	—	—
Loss (gain) on disposal of rental assets and other property . . . . .	24,200	12,078	69,996
Income (loss) applicable to minority interests . . . . .	36,498	26,886	8,777
(Increase) decrease in receivables . . . . .	(197,337)	13,175	(2,549)
(Increase) decrease in inventories . . . . .	162,473	(53,703)	127,802
(Increase) decrease in prepaid expenses and other current assets . . . . .	4,335	(12,847)	(1,133)
Increase (decrease) in payables . . . . .	994	(7,254)	(45,274)
Increase (decrease) in accrued expenses and retirement and severance benefits . . . . .	(3,428)	5,132	19,400
Increase (decrease) in accrued income taxes . . . . .	(14,461)	(28,880)	(25,135)
Increase (decrease) in other liabilities . . . . .	(98,271)	6,892	25,338
Net change in inventory-related receivables from financial services . . . . .	—	—	—
Other . . . . .	(20,569)	(6,133)	16,420
Net cash provided by operating activities (note 2) . . . . .	486,724	420,741	388,879
Cash flows from investing activities:			
(Increase) decrease in short-term investments . . . . .	(169,644)	49,462	153,382
Capital expenditures . . . . .	(750,066)	(690,419)	(406,685)
Purchase of assets to be leased (note 1) . . . . .	—	—	(212,657)
Collection of investments in leases (note 1) . . . . .	—	—	—
Proceeds from disposal of rental assets and other property . . . . .	49,075	32,334	26,427
Proceeds from sale of investments and subsidiaries' common stock . . . . .	34,760	144,127	16,542
Purchase of investments and subsidiaries' common stock . . . . .	(43,751)	(165,898)	(13,837)
Purchase of software . . . . .	—	—	—
Other . . . . .	9,123	(7,932)	(13,721)
Net cash used in investing activities (note 2) . . . . .	(870,503)	(638,326)	(450,549)
Cash flows from financing activities:			
Increase (decrease) in short-term debt, net . . . . .	60,490	97,057	(1,845)
Proceeds from long-term debt . . . . .	201,985	279,866	375,344
Payments on long-term debt . . . . .	(168,597)	(223,517)	(230,273)
Proceeds (payments) on subsidiaries' common stock, net . . . . .	5,305	7,423	701
Dividends paid to stockholders . . . . .	(36,520)	(36,600)	(18,412)
Dividends paid to minority stockholders of subsidiaries . . . . .	(10,599)	(11,838)	(11,722)
Purchase and retirement of common shares by subsidiaries . . . . .	—	—	—
Acquisition of common stock for treasury . . . . .	—	—	—
Proceeds from sales of treasury stock . . . . .	—	—	—
Net cash provided by (used in) financing activities . . . . .	52,064	112,391	113,793
Effect of exchange rate changes on cash and cash equivalents . . . . .	13,948	(5,215)	(14,136)
Net increase (decrease) in cash and cash equivalents . . . . .	(317,767)	(110,409)	37,987
Cash and cash equivalents at beginning of year . . . . .	1,627,716	1,309,949	1,199,540
Cash and cash equivalents at end of year . . . . .	¥1,309,949	¥1,199,540	¥1,237,527

Notes: 1. According to the importance of lease assets, the Company divided the amount of "Capital expenditures" into two categories; "Capital expenditures" and "Purchase of assets to be leased." Figures for 1999 and 2000 have also been restated using the same method.  
2. Cash flows from financing services related to products that the Company and its subsidiaries manufactured under lease agreement were classified "Cash flows from investing activities" until 2004. The Company has reclassified cash flows from such transactions as "Cash flows from operating activities." The reclassification has also been made to the presentation of the years ended March 31, 2003 and there after.  
3. See notes on inside cover.

Millions of yen

	2000	2001	2002	2003	2004	2005	2006	2007
¥	16,922	¥ 104,380	¥ (483,837)	¥ 27,867	¥ 15,876	¥ 51,496	¥ 37,320	¥ (32,799)
	541,253	505,507	529,418	480,274	436,053	425,080	451,170	<b>472,175</b>
	—	—	69,210	86,095	117,561	132,370	138,727	<b>149,823</b>
	9,310	—	46,115	8,474	26,085	26,797	27,408	<b>9,918</b>
	(67,179)	12,505	(182,072)	(35,526)	77,056	45,310	33,815	<b>20,514</b>
	6,426	(2,559)	35,756	15,803	(10,120)	162	(8,688)	<b>(11,289)</b>
	(36,215)	(17,437)	(4,035)	(54,849)	(137,925)	(54,741)	(46,468)	<b>(53,240)</b>
	4,784	6,876	76,867	65,828	12,893	9,665	4,858	<b>8,309</b>
	19,921	19,165	59,687	(14,064)	13,274	15,202	8,983	<b>31,590</b>
	14,811	54,414	(31,121)	16,299	22,618	63,020	83,196	<b>72,323</b>
	(107,685)	(72,035)	450,904	2,280	(187,545)	103,246	(94,078)	<b>52,599</b>
	(26,273)	(128,477)	261,229	7,994	(67,026)	(95,191)	(107,069)	<b>(212,028)</b>
	(9,931)	(38,234)	(999)	3,170	(3,075)	(29,973)	35,947	<b>(80,172)</b>
	78,728	95,855	(271,698)	96,777	145,234	(53,785)	107,271	<b>104,987</b>
	3,846	8,171	70,813	(71,969)	109,152	(26,823)	(30,505)	<b>(21,166)</b>
	15,884	26,337	(48,174)	(5,825)	27,741	(18,861)	2,047	<b>18,623</b>
	(41,385)	(62,858)	(69,671)	11,989	5,276	(408)	44,060	<b>38,470</b>
	—	—	—	11,041	(3,140)	(22,036)	14,328	<b>(9,819)</b>
	28,233	23,823	(25,526)	5,901	3,415	(5,174)	(11,447)	<b>56,224</b>
	451,450	535,433	482,866	657,559	603,403	565,356	690,875	<b>615,042</b>
	(15,155)	198,610	253,236	(8,162)	10,035	47,179	1,104	<b>25,054</b>
	(365,744)	(463,585)	(429,835)	(323,825)	(289,753)	(368,896)	(382,386)	<b>(497,771)</b>
	(211,185)	(532,142)	(444,931)	(381,326)	(439,047)	(483,192)	(466,681)	<b>(441,614)</b>
	—	421,527	469,108	307,392	340,376	301,614	419,956	<b>318,063</b>
	133,806	70,442	59,574	142,973	122,258	90,726	80,718	<b>43,982</b>
	67,971	50,473	55,354	167,350	301,553	112,932	99,717	<b>69,842</b>
	(40,463)	(125,473)	(129,527)	(262,424)	(110,837)	(61,711)	(67,643)	<b>(169,530)</b>
	(38,096)	(36,405)	(112,506)	(137,113)	(117,896)	(121,415)	(121,983)	<b>(123,876)</b>
	33,275	45,836	6,656	(135,191)	(84,102)	(44,225)	(64,164)	<b>(10,320)</b>
	(435,591)	(370,717)	(272,871)	(630,326)	(267,413)	(526,988)	(501,362)	<b>(786,170)</b>
	43,155	(5,153)	(408,514)	(12,490)	(193,286)	27,029	5,121	<b>93,917</b>
	315,408	518,872	573,373	375,802	460,144	533,442	342,309	<b>380,646</b>
	(194,038)	(642,594)	(743,385)	(547,759)	(587,335)	(599,637)	(551,265)	<b>(309,204)</b>
	9,046	13,342	42,466	1,872	9,984	(8,431)	(3,139)	<b>16,003</b>
	(27,762)	(28,235)	(28,318)	(9,973)	(19,961)	(34,815)	(36,509)	<b>(28,243)</b>
	(12,033)	(15,739)	(13,401)	(13,108)	(13,714)	(16,671)	(17,591)	<b>(20,761)</b>
	(7,946)	—	—	—	—	—	—	<b>—</b>
	—	—	(333)	(1,514)	(30,464)	(1,177)	(1,058)	<b>(12,000)</b>
	—	—	—	—	197	831	494	<b>901</b>
	125,830	(159,507)	(578,112)	(207,170)	(374,435)	(99,429)	(261,638)	<b>121,259</b>
	(21,784)	18,962	15,888	(21,266)	(25,330)	5,380	21,665	<b>9,480</b>
	119,905	24,171	(352,229)	(201,203)	(63,775)	(55,681)	(50,460)	<b>(40,389)</b>
	1,237,527	1,357,432	1,381,603	1,029,374	828,171	764,396	708,715	<b>658,255</b>
	¥1,357,432	¥1,381,603	¥1,029,374	¥ 828,171	¥ 764,396	¥ 708,715	¥ 658,255	¥ 617,866

# Segment Information

Years ended March 31

## Main Products and Services

### ● Information & Telecommunication Systems

Systems Integration  
Outsourcing Services  
Software  
Hard Disk Drives  
Disk Array Subsystems  
Servers  
Mainframes  
PCs  
Telecommunications Equipment  
ATMs

### ● Electronic Devices

LCDs  
Semiconductor Manufacturing Equipment  
Test and Measurement Equipment  
Medical Electronics Equipment  
Semiconductors

### ● Power & Industrial Systems

Nuclear Power Plants  
Thermal Power Plants  
Hydroelectric Power Plants  
Industrial Machinery and Plants  
Automotive Products  
Construction Machinery  
Elevators  
Escalators  
Railway Vehicles

### ● Digital Media & Consumer Products

Optical Disk Drives  
Plasma TVs  
LCD TVs  
LCD Projectors  
Mobile Phones  
Room Air Conditioners  
Refrigerators  
Washing Machines  
Information Storage Media  
Batteries  
Air-Conditioning Equipment

### ● High Functional Materials & Components

Wires and Cables  
Copper Products  
Semiconductor Materials  
Circuit Boards and Materials  
Organic and Inorganic Chemical Products  
Synthetic Resin Products  
Display Related Materials  
Specialty Steels  
Magnetic Materials and Components  
High Grade Casting Components and Materials

### ● Logistics, Services & Others

General Trading  
Logistics  
Property Management

### ● Financial Services

Leasing  
Loan Guarantees  
Insurance Services

## Industry Segments

		Millions of yen		
		2005	2006	2007
<b>Revenues</b>	Information & Telecommunication Systems .....	¥ 2,268,386	¥ 2,360,956	¥ 2,472,227
	Electronic Devices .....	1,320,177	1,204,407	1,287,492
	Power & Industrial Systems .....	2,515,366	2,805,169	3,022,299
	Digital Media & Consumer Products .....	1,280,302	1,305,658	1,506,073
	High Functional Materials & Components .....	1,504,312	1,600,246	1,794,506
	Logistics, Services & Others .....	1,248,296	1,214,784	1,213,529
	Financial Services .....	529,695	517,975	500,065
	Subtotal .....	10,666,534	11,009,195	11,796,191
	Eliminations & Corporate items .....	(1,639,491)	(1,544,394)	(1,548,288)
	<b>Total .....</b>	<b>9,027,043</b>	<b>9,464,801</b>	<b>10,247,903</b>
<b>Operating income (loss)</b>	Information & Telecommunication Systems .....	¥ 67,761	¥ 84,687	¥ 60,343
(note 2 on page 21)	Electronic Devices .....	37,017	20,439	45,755
	Power & Industrial Systems .....	73,661	92,552	36,391
	Digital Media & Consumer Products .....	8,694	(35,771)	(58,435)
	High Functional Materials & Components .....	87,514	110,069	132,399
	Logistics, Services & Others .....	9,808	19,511	20,233
	Financial Services .....	31,073	35,001	23,534
	Subtotal .....	315,528	326,488	260,220
	Eliminations & Corporate items .....	(36,473)	(70,476)	(77,708)
	<b>Total .....</b>	<b>279,055</b>	<b>256,012</b>	<b>182,512</b>

## Others

		Millions of yen		
		2005	2006	2007
<b>Capital investment (Property, plant and equipment)</b>	Information & Telecommunication Systems . . . . .	¥ 103,023	¥ 123,266	¥ 155,675
	Electronic Devices . . . . .	47,039	35,756	34,614
	Power & Industrial Systems . . . . .	98,348	106,778	151,964
	Digital Media & Consumer Products . . . . .	38,426	38,516	83,144
	High Functional Materials & Components . . . . .	75,535	84,557	91,893
	Logistics, Services & Others . . . . .	31,160	24,119	28,296
	Financial Services . . . . .	591,330	570,644	554,853
	Subtotal . . . . .	984,861	983,636	1,100,439
	Eliminations & Corporate items . . . . .	(25,268)	(28,930)	(51,867)
<b>Total</b> . . . . .	<b>959,593</b>	<b>954,706</b>	<b>1,048,572</b>	
<b>Depreciation (Property, plant and equipment)</b>	Information & Telecommunication Systems . . . . .	¥ 77,289	¥ 82,735	¥ 93,285
	Electronic Devices . . . . .	43,504	45,658	37,871
	Power & Industrial Systems . . . . .	73,887	79,657	91,706
	Digital Media & Consumer Products . . . . .	37,913	40,687	43,513
	High Functional Materials & Components . . . . .	65,789	64,310	65,910
	Logistics, Services & Others . . . . .	23,416	23,629	23,341
	Financial Services . . . . .	100,316	111,820	113,886
	Subtotal . . . . .	422,114	448,496	469,512
	Eliminations & Corporate items . . . . .	2,966	2,674	2,663
<b>Total</b> . . . . .	<b>425,080</b>	<b>451,170</b>	<b>472,175</b>	
<b>R&amp;D expenditures</b>	Information & Telecommunication Systems . . . . .	¥ 164,765	¥ 161,640	¥ 157,858
	Electronic Devices . . . . .	47,361	47,037	46,003
	Power & Industrial Systems . . . . .	78,576	85,591	95,065
	Digital Media & Consumer Products . . . . .	32,172	33,478	35,859
	High Functional Materials & Components . . . . .	43,398	48,869	50,179
	Logistics, Services & Others . . . . .	5,354	4,797	2,561
	Financial Services . . . . .	2,347	1,686	1,513
	Subtotal . . . . .	373,973	383,098	389,038
	Corporate items . . . . .	14,661	21,981	23,496
<b>Total</b> . . . . .	<b>388,634</b>	<b>405,079</b>	<b>412,534</b>	
<b>Assets</b>	Information & Telecommunication Systems . . . . .	¥ 1,767,074	¥ 1,844,979	¥ 1,987,603
	Electronic Devices . . . . .	838,605	856,147	840,986
	Power & Industrial Systems . . . . .	2,357,504	2,474,327	2,728,817
	Digital Media & Consumer Products . . . . .	719,168	841,935	971,187
	High Functional Materials & Components . . . . .	1,301,039	1,363,833	1,503,733
	Logistics, Services & Others . . . . .	932,354	958,337	1,049,916
	Financial Services . . . . .	2,157,409	2,280,880	2,442,066
	Subtotal . . . . .	10,073,153	10,620,438	11,524,308
	Eliminations & Corporate items . . . . .	(336,906)	(599,243)	(880,049)
<b>Total</b> . . . . .	<b>9,736,247</b>	<b>10,021,195</b>	<b>10,644,259</b>	

		2005	2006	2007
<b>Number of employees</b>	Information & Telecommunication Systems . . . . .	91,956	92,413	<b>100,088</b>
	Electronic Devices . . . . .	26,492	30,288	<b>32,253</b>
	Power & Industrial Systems . . . . .	92,919	96,189	<b>105,512</b>
	Digital Media & Consumer Products . . . . .	34,458	34,572	<b>41,690</b>
	High Functional Materials & Components . . . . .	59,172	59,065	<b>59,235</b>
	Logistics, Services & Others . . . . .	34,113	34,941	<b>37,347</b>
	Financial Services . . . . .	4,485	4,706	<b>4,554</b>
	Subtotal . . . . .	343,595	352,174	<b>380,679</b>
	Corporate . . . . .	3,829	3,705	<b>3,765</b>
	Total . . . . .	347,424	355,879	<b>384,444</b>

## Geographic Segments

		Millions of yen		
		2005	2006	2007
<b>Revenues</b>				
<b>Japan</b>	Outside customer revenues . . . . .	¥ 6,598,002	¥ 6,747,222	¥ 7,010,181
	Intersegment transactions . . . . .	937,814	1,033,180	1,274,048
	Total . . . . .	7,535,816	7,780,402	8,284,229
<b>Asia</b>	Outside customer revenues . . . . .	1,059,197	1,178,568	1,459,549
	Intersegment transactions . . . . .	388,249	453,823	561,208
	Total . . . . .	1,447,446	1,632,391	2,020,757
<b>North America</b>	Outside customer revenues . . . . .	798,266	899,608	981,098
	Intersegment transactions . . . . .	34,224	64,486	89,912
	Total . . . . .	832,490	964,094	1,071,010
<b>Europe</b>	Outside customer revenues . . . . .	470,792	519,042	645,354
	Intersegment transactions . . . . .	20,015	27,390	37,454
	Total . . . . .	490,807	546,432	682,808
<b>Other Areas</b>	Outside customer revenues . . . . .	100,786	120,361	151,721
	Intersegment transactions . . . . .	3,545	11,182	21,574
	Total . . . . .	104,331	131,543	173,295
	Subtotal . . . . .	10,410,890	11,054,862	12,232,099
	Eliminations & Corporate items . . . . .	(1,383,847)	(1,590,061)	(1,984,196)
Total . . . . .	9,027,043	9,464,801	10,247,903	
<b>Operating income (loss) (note 2 on page 21)</b>				
<b>Japan</b> . . . . .		¥ 274,389	¥ 275,715	¥ 212,316
<b>Asia</b> . . . . .		27,538	6,727	(3,664)
<b>North America</b> . . . . .		10,188	23,428	25,310
<b>Europe</b> . . . . .		16,382	18,702	23,312
<b>Other Areas</b> . . . . .		3,260	6,555	8,647
Subtotal . . . . .		331,757	331,127	265,921
Eliminations & Corporate items . . . . .		(52,702)	(75,115)	(83,409)
Total . . . . .		279,055	256,012	182,512

## Revenues by Market

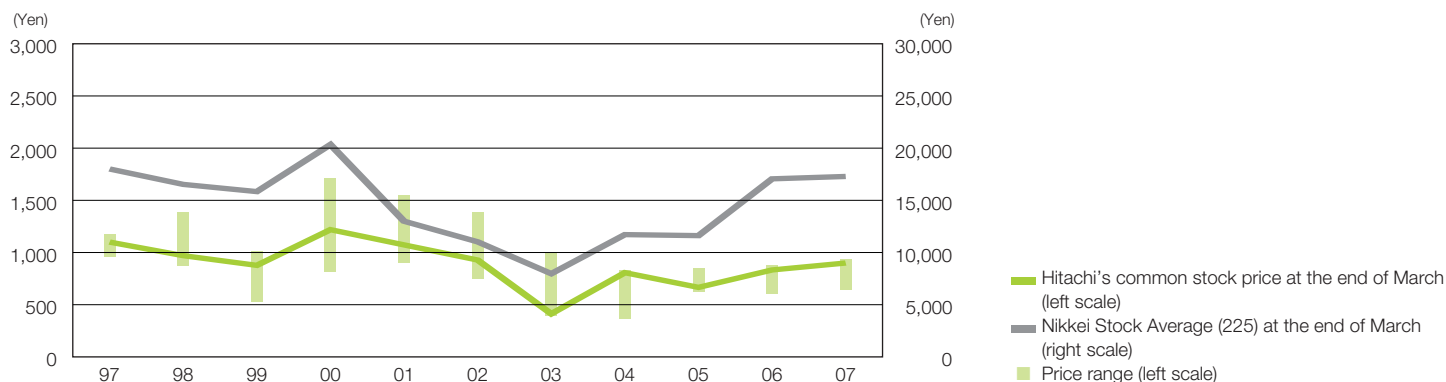
		Millions of yen		
		2005	2006	2007
<b>Japan</b>	<b>Revenues</b> .....	¥5,749,603	¥5,825,156	¥ 6,093,627
	Percentage of Total Revenues (%) .....	64	62	59
<b>Outside Japan</b>	<b>Asia</b> .....	1,406,883	1,619,235	1,859,664
	Percentage of Total Revenues (%) .....	15	17	18
	<b>North America</b> .....	901,855	968,957	1,057,389
	Percentage of Total Revenues (%) .....	10	10	10
	<b>Europe</b> .....	709,770	748,480	869,022
	Percentage of Total Revenues (%) .....	8	8	9
	<b>Other Areas</b> .....	258,932	302,973	368,201
	Percentage of Total Revenues (%) .....	3	3	4
	<b>Subtotal</b> .....	3,277,440	3,639,645	4,154,276
	Percentage of Total Revenues (%) .....	36	38	41
	<b>Total</b> .....	9,027,043	9,464,801	10,247,903

Notes: 1. This information is disclosed in accordance with a ministerial ordinance under the Securities and Exchange Law of Japan.

2. In order to be consistent with financial reporting principles and practices generally accepted in Japan, operating income (loss) is presented as total revenues less cost of sales and selling, general and administrative expenses. The Company believes that this is useful to investors in comparing the Company's financial results with those of other Japanese companies. Under accounting principles generally accepted in the United States of America, restructuring charges, net gain or loss on sale and disposal of rental assets and other property, impairment losses and special termination benefits are included as part of operating income (loss). The restructuring charges mainly represent special termination benefits incurred with the reorganization of the business structures, and as the result of the Company and its subsidiaries reviewing and reshaping the business portfolio. See note 2 on page 2.

# Stock Information

## Common Stock Price Movement (Tokyo Stock Exchange)



## Price Range of Hitachi Common Stock (Tokyo Stock Exchange)

Years ended March 31

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Price range High . . . . .	¥ 1,180	¥ 1,390	¥ 1,015	¥ 1,709	¥ 1,549	¥ 1,380	¥ 997	¥ 835	¥ 850	¥ 874	¥ 936
Low . . . . .	961	877	532	814	899	745	398	366	627	604	644
Price at the end of March . . . . .	1,100	970	877	1,219	1,073	928	413	807	666	833	914
Nikkei Stock Average (225) at the end of March . . . . .	18,003	16,527	15,836	20,337	12,999	11,024	7,972	11,715	11,618	17,059	17,287

Note: Common stock prices are those of Hitachi, Ltd.

## Price/Earnings Ratio, Price/Cash Flow Ratio and Price/Book Value Ratio

Years ended March 31

	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Number of shares on which diluted net income per share is calculated (thousand) . . . . .	3,547,591	3,366,369	3,337,895	3,366,369	3,544,817	3,337,850	3,351,625	3,303,759	3,361,101	3,435,433	3,332,078
Common stock of Hitachi, Ltd. at March 31 (thousand) . . . . .	3,337,796	3,337,895	3,337,895	3,337,900	3,337,932	3,338,481	3,368,124	3,368,125	3,368,126	3,368,126	3,368,126
Net income (loss) per share (Diluted) (¥) . . . . .	25.97	3.58	(98.15)	4.99	30.32	(144.95)	8.19	4.75	15.15	10.84	(9.87)
Price/Earnings ratio (Times) . . . . .	42.4	270.9	—	244.3	35.4	—	50.4	170.0	44.0	76.8	—
Free cash flows per share (¥) . . . . .	(108.18)	(64.63)	(18.48)	4.71	46.47	62.91	8.13	101.70	11.42	55.16	(51.36)
Price/Free cash flow ratio (Times) . . . . .	—	—	—	258.76	23.09	14.75	50.83	7.94	58.34	15.10	—
Stockholders' equity per share (¥) . . . . .	1,054.26	1,012.77	900.57	895.08	857.27	690.28	550.76	657.42	692.73	752.91	734.66
Price/Book value ratio (Times) . . . . .	1.04	0.96	0.97	1.36	1.25	1.34	0.75	1.23	0.96	1.11	1.24
Cash dividends declared per share (¥) . . . . .	11.00	11.00	5.50	6.00	11.00	3.00	6.00	8.00	11.00	11.00	6.00

Notes: 1. Stockholders' equity per share is based on common stock of Hitachi, Ltd. as of March 31.  
2. Free cash flows per share is based on the number of shares on which diluted net income (loss) per share is calculated.  
3. See notes on inside cover.

## Equity-Linked Financings

As of March 31, 2007

Issue Date	Type	Outstanding	Coupon (%)	Conversion Price	Redemption Date
10/19/2004	CB #A	¥50,000 million	0.0	¥822	10/19/2009
10/19/2004	CB #B	¥50,000 million	0.0	¥822	10/19/2009

Note: Conversion prices are subject to revision.

## 10 Largest Shareholders

As of March 31, 2007

	Share Ownership	Percentage of Total Shares Issued
NATS CUMCO	380,516,700	11.30%
State Street Bank and Trust Company	246,882,753	7.33%
The Master Trust Bank of Japan, Ltd.	211,919,000	6.29%
Japan Trustee Services Bank, Ltd.	144,684,000	4.30%
Nippon Life Insurance Company	100,215,195	2.98%
Hitachi Employees' Shareholding Association	96,000,952	2.85%
The Dai-ichi Mutual Life Insurance Company	74,748,222	2.22%
The Chase Manhattan Bank, N.A. London	68,208,338	2.03%
Trust & Custody Services Bank, Ltd.	63,663,000	1.89%
Meiji Yasuda Life Insurance Company	49,058,818	1.46%

Note: NATS CUMCO is the nominee name of the depositary bank, Citibank, N.A., for the aggregate of the Company's American Depositary Receipts (ADRs) holders.

## Shareholders Composition

As of March 31, 2007

Foreign Investors	40.49%
Individuals	28.09%
Financial Institutions and Securities Firms	27.63%
Others	3.79%

## Administrator of Shareholders' Register

Tokyo Securities Transfer Agent Co., Ltd.  
4-2, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-0005, Japan  
TEL: +81-3-3212-4611

## Depositary and Registrar for American Depositary Receipts

Citibank, N.A. Shareholder Services  
P.O. Box 43077  
Providence, Rhode Island 02940-3077 USA  
TEL: U.S.A. 1-877-CITI-ADR (248-4237) (toll-free)  
International +1-781-575-4555  
E-mail: citibank@shareholders-online.com  
URL: www.citigroup.com/adr  
(New York Stock Exchange Listed Symbol — HIT)

## Overseas Stock Exchange Listings

New York stock exchange

## Japanese Stock Exchange Listings

Tokyo, Osaka, Nagoya, Fukuoka and Sapporo stock exchanges

# Corporate Data

As of March 31, 2007

<b>Corporate Name</b>	Hitachi, Ltd. (Kabushiki Kaisha Hitachi Seisakusho)	
<b>Principal Office</b>	6-6, Marunouchi 1-chome, Chiyoda-ku, Tokyo, 100-8280, Japan	
<b>Founded</b>	1910 (Incorporated in 1920)	
<b>Number of Consolidated Subsidiaries</b>	Japan	450
	Overseas	484
<b>Number of Employees</b>	384,444	
<b>Common Stock</b>	Issued	3,368,126,056 shares
<b>Number of Shareholders</b>	385,744	
<b>URL</b>	<a href="http://www.hitachi.com/">http://www.hitachi.com/</a>	

*For further information, please contact:*

## Investor Relations

### JAPAN

Hitachi, Ltd.

6-6, Marunouchi 1-chome,  
Chiyoda-ku, Tokyo, 100-8280

TEL: +81-3-3258-1111

E-mail: [IR@hdq.hitachi.co.jp](mailto:IR@hdq.hitachi.co.jp)

### U.S.A.

Hitachi America, Ltd.

2000 Sierra Point Parkway, Brisbane,  
California 94005-1845

TEL: +1-650-244-7902

E-mail: [investor.info@hal.hitachi.com](mailto:investor.info@hal.hitachi.com)

### U.K.

Hitachi Europe Ltd.

Whitebrook Park,  
Lower Cookham Road,

Maidenhead Berkshire  
SL6 8YA

TEL: +44-1628-585379

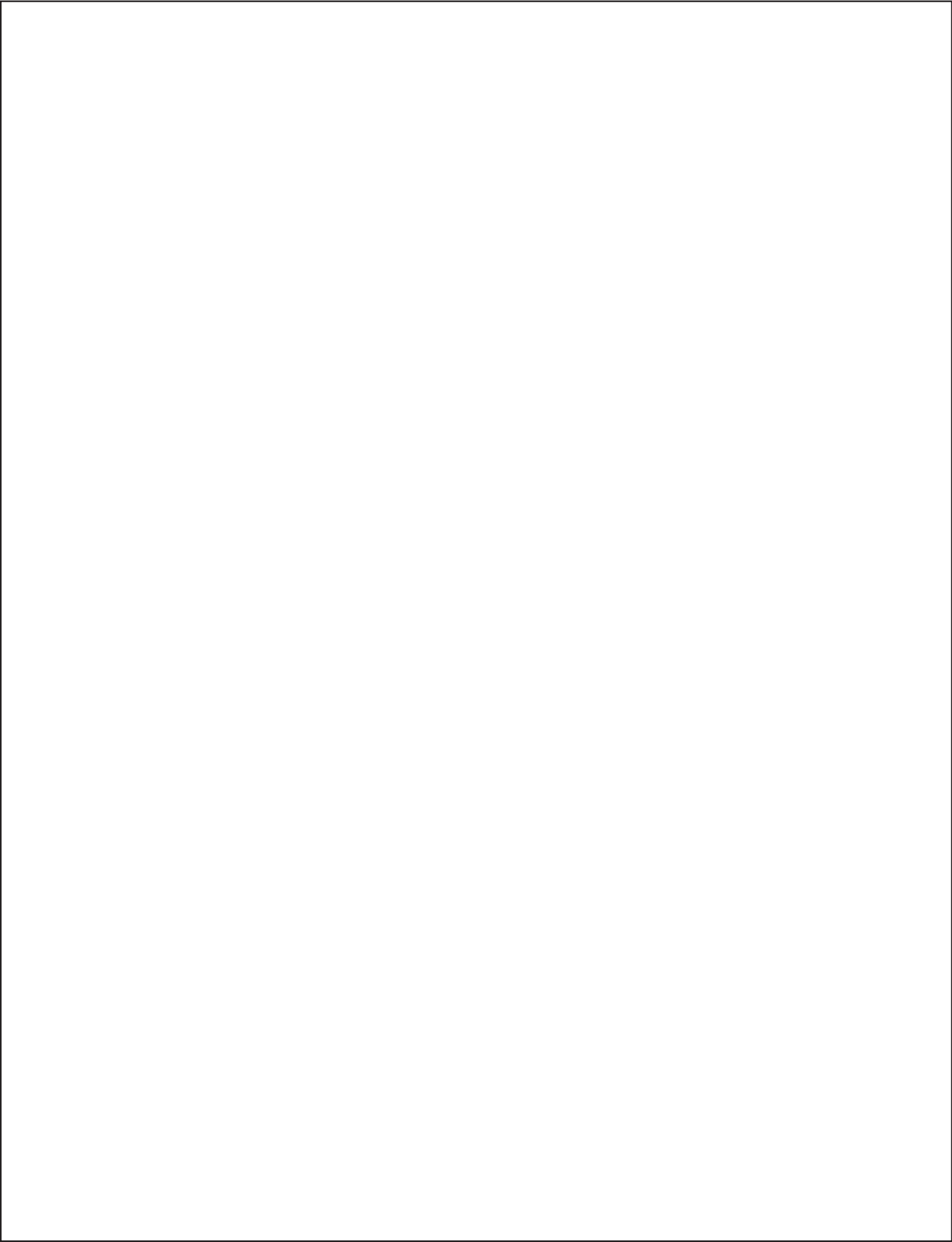
E-mail: [investor.info@hitachi-eu.com](mailto:investor.info@hitachi-eu.com)

### CHINA

Hitachi (China) Ltd.

18F Beijing Fortune Bldg.,  
5 Dong San Huan Bei-Lu, Chao Yang District, Beijing 100004

TEL: +86-10-6539-9139



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